

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03  
CIAE-00 COME-00 EA-07 FRB-03 INR-07 IO-13 NEA-10  
NSAE-00 OPIC-03 LAB-04 SIL-01 AGRE-00 OES-06 XMB-02  
OIC-02 FEA-01 /123 W  
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R 191231Z FEB 77  
FM USMISSION OECD PARIS  
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PASS CEA FOR SCHULTZE, TREASURY FOR WIDMAN, FRB FOR  
PARTEE

E.O. 11652: N/A  
TAGS: OECD, ECON, EFIN  
SUBJECT: ECONOMIC POLICY COMMITTEE (EPC) AND RESTRICTED  
BUREAU MEETINGS MARCH 1 AND 2: SCENARIO

REF: A) CPE(77)1; B) OECD PARIS 5256; C) OECD PARIS  
4271; D) OECD PARIS 5377; E) CPE(77)2; F) OECD PARIS  
4836; G) OECD PARIS 4837

1. THIS MESSAGE, BASED ON RECENT INFORMAL DISCUSSIONS  
WITH SECRETARIAT (SEE ALSO REF B), SETS OUT SCENARIO  
FOR MARCH 1-2 EPC PLENARY SESSION AND MARCH 1  
BUREAU MEETING AND DINNER.

2. EPC PLENARY PROGRAM:

(A) OPENING REMARKS AND REPORTS:

(I) PROGRAM WILL BEGIN WITH BRIEF REMARKS BY SECRETAR-  
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IAT (FAY) EXPLAINING KEY QUESTIONS POSED IN MAIN  
ISSUES PAPER (REF A). FAY IS ALSO LIKELY TO REVIEW  
SECRETARIAT'S ASSESSMENT OF CURRENT ECONOMIC SITUATION  
AND PROSPECTS;

(II) REPORT FROM WP-3 CHAIRMAN EMMINGER ON RESULTS OF  
FEB. 28 WP-3 MEETING (REF F). SECRETARIAT SEES

EMMINGER REPORT AS PARTICULARLY IMPORTANT IN LIGHT OF  
ADJUSTMENT PROCESS FOCUS OF EPC AGENDA;

(III) REPORT FROM TWP CHAIRMAN VAN YPERSELE ON BALANCE  
OF PAYMENTS SITUATION OF SMALL COUNTRIES (WHICH  
WILL HAVE BEEN REVIEWED BY TWP ON FEB. 25).

(B) COUNTRY PRESENTATIONS: INDIVIDUAL COUNTRY  
PRESENTATIONS WILL IMMEDIATELY FOLLOW ABOVE REPORTS.  
SECRETARIAT NOTES COUNTRIES SHOULD FOCUS ON ISSUES  
RAISED REFDOK A, PARTICULARLY PARAGRAPHS 15 (A), (B),  
AND (C). SECRETARIAT PLANS FOR PRESENTATIONS TO BE  
LED OFF BY A "STRONG" COUNTRY (FRG) FOLLOWED BY A  
"WEAK" COUNTRY (FRANCE) AND A "SMALL" COUNTRY (SWEDEN)  
AND THEN BY U.S. SECRETARIAT HAS INDICATED THAT  
CHAIRMAN SCHULTZE WOULD PROBABLY NOT SPEAK UNTIL EARLY  
IN AFTERNOON SESSION, BUT NOTES POSSIBILITY THAT  
MORNING COULD MOVE QUICKLY AND THAT HE COULD  
THUS BE CALLED ON AT END OF MORNING SESSION. IN  
ADDITION, SECRETARIAT SUGGESTS THAT CHAIRMAN SCHULTZE  
DWELL ON NEW ADMINISTRATION'S VIEWS ON ITS STIMULUS  
PROGRAM AS WELL AS ON SELECTIVE EMPLOYMENT CREATION  
MEASURES. (MARRIS HAS EXPRESSED HOPE THAT CHAIRMAN  
SCHULTZE WOULD COMMENT WHAT MARRIS FEELS HAS BEEN  
OVERLOOKED IN EPC DOCUMENTATION, NAMELY, WHAT COULD BE  
DONE TO STIMULATE INVESTMENT--PARTICULARLY IN WEAK  
COUNTRIES WHERE REQUIRED SLOW GROWTH OF DEMAND IS A  
DAMPENING FACTOR). SECRETARIAT NOTES THAT EPC CHAIRMAN  
ALLEN WILL SOLICIT COMMENTS/QUESTIONS FROM THE FLOOR  
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AFTER EACH COUNTRY STATEMENT, SO THAT DELEGATES SHOULD  
BE PREPARED ACCORDINGLY AND DO NOT HAVE TO AWAIT  
THEIR "TURN" IN ORDER TO INTERVENE.

(C) DURING REMAINDER OF FIRST DAY PLENARY SESSION  
AND AT SECOND DAY SESSION FLOOR WILL BE OPEN FOR  
COUNTRIES TO COMMENT ON ISSUES RAISED IN DOCUMENTATION  
OR BY OTHER COUNTRIES.

(D) TOWARD END OF SECOND DAY SECRETARIAT (PER REF C)  
WILL SEEK EPC RECOMMENDATION TO OECD COUNCIL THAT  
LATTER APPROVE PUBLICATION OF WP-2 REPORT ON PUBLIC  
EXPENDITURE ON HEALTH.

(E) NOTE: ELECTIONS OF EPC CHAIRMAN AND VICE CHAIRMAN  
AND OF CHAIRMEN OF EPC WORKING PARTIES HAS BEEN POST-  
PONED UNTIL THE NEXT MEETING.

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3. EPC BUREAU MEETING AND DINNER; AT EPC BUREAU AND  
DINNER MEETING SECRETARIAT HOPES THAT BIG 7 REPS WILL  
ENGAGE IN MORE FRANK DISCUSSION OF THE MAIN POLICY  
ISSUES THAN WOULD BE POSSIBLE IN PLENARY SESSIONS.  
IN THIS RESPECT, SECRETARIAT WOULD LIKE BUREAU MEMBERS  
TO EXCHANGE VIEWS ON WHAT ISSUES AND POLICY APPROACHES  
SHOULD BE DEVELOPED FOR CONSIDERATION BY THE OECD  
MINISTERIAL MEETING (AND SECRETARIAT HOPES WOULD ALSO  
BE RELEVANT TO SUMMIT). SECRETARIAT (MARRIS) BELIEVES  
THAT IT WOULD BE USEFUL TO HAVE CONSIDERABLE "BRAIN-  
STORMING" ON THE ADJUSTMENT PROCESS IN GENERAL AND  
PARTICULARLY ON THE FOLLOWING QUESTIONS: (A) IS  
DISTRIBUTION OF CURRENT ACCOUNT DEFICITS AMONG OECD  
COUNTRIES ACCEPTABLE?; (B) IF NOT, TO WHAT EXTENT CAN  
DEMAND MANAGEMENT POLICIES ACHIEVE AN ACCEPTABLE  
DISTRIBUTION?; (C) IF DEMAND MANAGEMENT POLICIES  
ARE NOT EQUAL TO THIS TASK, WHAT ELSE CAN BE DONE?  
SECRETARIAT ALSO NOTES THAT BROAD ECONOMIC POLICY  
ISSUES (AND THEIR INTERRELATIONSHIPS) AS POSED IN XCSS  
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DOCUMENTATION (REFS D AND E) WILL ALSO BE GERMANE TO  
BUREAU'S MAIN CONCERNS WITHOUT, HOWEVER, DETAILED  
DISCUSSION OF SPECIALIZED TOPICS SUCH AS TRADE PLEDGE,  
NORTH/SOUTH OR ENERGY.

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## Message Attributes

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